Eastern Coalfields Limited

*44. SHRI RAMBAHADUR SINGH: Will the Minister of COAL be pleased to state:

(a) whether the Eastern Coalfields Ltd. of Coal India Limited is potentially sick with mounting debts;

(b) if so, the details of financial liabilities of the Company;

(c) the reasons identified for the company's sickness; and

(d) the steps contemplated by the Government for its revival?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) to (d) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) The financial liabilities of Eastern Coalfields Limited (ECL) as per the company's audited balance sheet as on 31.3.96 are as under:-

Liabilities	As on 31.3.96 (Rs.crores)
1. Paid-up capital	1039.00
2. Reserves	9.32
3. (i) Secured Loans	60.20
(ii) Unsecured loans	1706.64
4. Current liabilities	1337.96
Total	4153.12

(c) The reasons for sickness of ECL are:-

(i) There are 11 areas producing 38.94% of the total production of ECL but engaging 68.83% of the company's manpower. About 80% of the average annual loss of ECL is caused by these 11 areas.

(ii) The capacity utilisation and per capita productivity (Output per manshift) in ECL are very low as compared to the other subsidiaries of Coal India Limited.

(iii) Underground mines of the country, in general, have much lower productivity than the opencast mines. Proportion of underground production to the total production in ECL is high. The requirement of sand stowing in the underground mines of ECL adds to the cost of production. Majority of the underground mines are very old and a large number of them are being worked manually.

(iv) Many underground mines of ECL are having geo-mining problems like steep and multiple seams, occurrence of fire and water-logged old workings.

(v) The size of the mine determines the economics of production. By and large, due to the presence of various geo-mining problems, even after re-organisation of some of the mines, the average size of the mines in ECL is small.

(d) In 1996 the Government took a decision to waive the overdue normal interest of Coal India Limited (CIL) upto 31.3.92 of Rs. 891.75 crores and the penal interest accruing thereon since 1.4.95 upto 31.3.96, i.e. Rs. 138.48 crores. ECL received a benefit of Rs. 389 crores from this decision. In March, 1996 the Government took a decision to deregulate the prices of coking coal and A, B & C grades of non-coking coal. In March, 1997 the Government have deregulated the prices of hard coke, soft coke and D grade of non-coking coal. In 1995-96, ECL earned an additional income of Rs. 360 crores due to the price revisions done by CIL in respect of the deregulated grades. The additional earning of ECL in 1996-97 on account of deregulation will be known after the 1996-97 accounts of the company are audited.

In addition to the above measures already taken, the following steps are contemplated by the Government for revival of ECL:-

(i) Phase-wise rationalisation of manpower by availing of natural wastage and redeployment of surplus manpower.

(ii) Conversion of debt to equity in ECL to the extent of about Rs. 994 crores in order to enable the company to have a considerable positive net worth.

(iii) Optimisation of production by strengthening the Longwall phases in underground mines, construction of haulroads in large opencast mines, advance stripping of top alluvium during the dry season and augmentation of workshop support.

[Translation]

SHRI RAMBAHADUR SINGH: Mr. Deputy Speaker, Sir, the reply given by the Minister is not satisfactory. The reason is that some facts have been concealed and some are baseless. It has been stated that production takes place in 12 areas of E.C.L. and 68.83% man power is engaged only in 11 areas and their production is 38.94%. But the loss to E.C.L. in these areas is 80%. In this connection I would like to say that E.C.L. has vast potential of starting new mines. If keeping in view this potential new mines would have been started then 68% labourers engaged in these 11 areas could have been deployed in other mines and production could have been increased. But no progress has been made in this regard. I want to make one more request in this regard that the biggest problem in starting new mines till 1991 has been that of overhead burden. Contract system was in vogue till 1991 for removing

overhead burden and solving this problem but it has been discontinued. When this system was stopped then E.C.L. should have taken some steps to start new mines so that the problem of overhead could be solved, but no interest was taken by E.C.L. for solving this problem and the expected progress could not be achieved. Therefore it is not appropriate to say that the number of labourers are much higher than the requirement, so this statement is baseless. As I have said, some facts have been concealed....

MR. DEPUTY SPEAKER: Ask the question.

SHRI RAMBAHADUR SINGH: Sir, I am asking the question. Illegal mining is being done by E.C.L. without any hesitation. Here, pilferage of coal, wasteful expenditure and scams are taking place. These things have not been discussed. I am sure that if this wasteful expenditure is checked, coal pilferage is stopped, illegal mining is checked and restrictions are imposed on spare parts, then it will become viable. I want to know from the hon'ble Minister, whether the points raised by me will be considered seriously and steps will be taken to check illegal mining?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, hon'ble Member has said that if new mines are opened, then manpower would be diverted, and if pilferage is stopped, then the financial position would be good.

I want to say that we have chalked out many such programmes. As we have prepared an 'action plan' in 1997-98 for taking various measures like field wise optimum production, special drive for improvement in the production of S.D.L./L.H.D., strengthening the long wall in phases in underground mines; to reduce production of coal, to lay emphasis on removing the waste from Rajmahal O.K.P. because N.T.P.C. has failed to lift earmarked quantity coal; more construction of haulroads in large opencast mines, advance stripping of alluvium during the dry season, augmentation of workshop support for rehabilitation of S.D.L./L.H.D. and renovation of Dam, reducing the manpower through V.R.S., postponement of capital intensive projects, closure of economically unviable mines, cost control and additional revenue generation and separate wage agreement for E.C.L. Otherwise, its impact cannot be reduced by any element measures taken to improve the working efficiency. We are taking steps in accordance with your suggestions.

[English]

SHRI NIRMAL KANTI CHATTERJEE: Sir, the ex-Minister is speaking to the official gallery. He is not yet aware that he has ceased to be a Minister now!

[Translation]

SHRI RAMBAHADUR SINGH: Mr. Deputy Speaker, Sir, I want to know whether any measures have been taken to check illegal mining. They have talked about the increase in the production of coal but what are the measures which have been taken to ensure continuous production of coal and for checking pilferage of coal worth crores of rupees which was being sent abroad surreptitiously. Have you preferred any time bound programme for checking this theft, scam? How the illegal mining will be checked?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, I have talked to the people of the E.C.L. management alongwith the local administration for preventing theft of coal. Local administration and the management have succeeded in checking the theft to a great extent.

[English]

SHRI MADHUKAR SARPOTDAR: Mr. Deputy-Speaker, Sir, the reasons to the question have been mentioned in the reply. In part (c) (ii) of the reply it has been mentioned, "the capacity utilisation and per capital productivity (Output per manshift) in ECL are very low as compared to the other subsidiaries of Coal India Limited".

I would like to know, what is the per capita output that has to be fixed? What is the per capita output that is being contemplated to be achieved by the Government?

In connection with this, on the last page of the written reply, it has been mentioned, "phase-wise rationalisation of manpower by availing of natural wastage and redeployment of surplus manpower". I would like to know, since when has this manpower become surplus? What are the reasons for their becoming surplus and who employed them?

[Translation]

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, the hon. Member has asked as to how the manpower has become so much surplus. I would like to say that at the time of nationalisation in 1973, the manpower was quite surplus. We did not increase it on the contrary we tried to reduce it day by day.

"No fresh appointment has been made as of now.

SHRI MADHUKAR SARPOTDAR: I had asked as to

[English]

What was the desired output and what was your achievement and why the manpower has become surplus? This was my question.

[Translation]

MR. DEPUTY SPEAKER: No supplementary question could be asked in this question, you can give a separate notice, and you will get reply.

SHRI DATTA MEGHE: Mr. Deputy Speaker, Sir, still there are liabilities of 13.96 crore rupees and the amount which they have spent and the amount of interest also run in to crores of rupees, I want to ask the hon. Minister as to why loss has been incurred. You cannot retrench labourers. What I want to say is that there are mines which are earning profits and which are open mines, this surplus

labourers should be redeployed there. The companies which are earning profit and doing the same work, surplus labourers should be redeployed there. Moreover they can be redeployed in open mines. There is an area in my constituency named Umrai. I have told hon'ble Minister many a times that there are open mines in that area but work has not yet commenced there. Therefore, where the expenditure is less and there are open mines, surplus employees should be sent there. Moreover the companies which can earn profits to the tune of crores of rupees should be assisted and may I ask as to what hon'ble Minister is going to do for redeployment of surplus staff for open mines?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, we are doing what the hon. Member has suggested. We are sending surplus manpower to other states. But the trade Union people of other states opposed and said that surplus staff of a state should not be redeployed in other states. But we are making efforts to transfer manpower to other states and simultaneously the man power which we have...

SHRI DATTA MEGHE: Trade unions should be brought to the terms.

SHRIMATI KANTI SINGH: We are making all out efforts to bring them to terms and we are also trying to divert additional man power in different ways.

PROF. RITA VERMA: Hon'ble Deputy Speaker, Sir, hon'ble Minister is repeatedly saying that this vast force of labourers they have, was received in legacy at the time of nationalisation of coal companies. I would like to say in this regard that Hon. Minister is quite ignorant if she believes in that. If she tries a little bit to make an inquiry, she will find that her predecessors had reinstated many people from the back-door. They have made such a good provision that the people whom they reinstate, would draw their salaries from E.C.L. whereas their posting is somewhere else. You could ascertain how many such people have been reinstated in different companies.

I have all the facts and figures with me in this regard. On the one hand, you say that the workers are in plenty and on the other hand back-door recruitment is taking place. Your problem will not be solved, if the things go on like this. We have been saying frequently that if we want to reduce this losses, then, we should control illegal mining. But whether the hon. Minister is aware that a Left Front Minister has grandly inaugurated an illegal mine under E.C.L. when a Minister inaugurates illegal mines then how it could be controlled. I have correct information about this.

SHRI DATTA MEGHE: Madam, you please tell the name of the Minister.

PROF. RITA VERMA: The name of the Minister was something Subhash.

SHRIMATI KANTI SINGH: I will verify the facts given by the hon. Member and will let her know.

SHRI BASU DEB ACHARIA: What Ritaji has stated is not correct.

PROF. RITA VERMA: It is correct. I don't give incorrect information.

SHRI BASU DEB ACHARIA: We are against illegal mining and we are also against private mining. That's why a three days strike will be starting from Monday in the entire coal Industry.

[English]

SHRI MADHUKAR SARPOTDAR: That will cause further losses.

[Translation]

SHRI BASUDEB ACHARIA: All the trade unions starting from INTUC to CITU are resorting to strike for three days against privatisation of coal mining ...*(Interruptions)* your union is also participating in the strike ...*(Interruptions)*

[English]

Eastern Coal Fields Limited is the oldest coal mining company in our country. The reason for its incurring losses is not just over mining. ECIL has 1,67,000 workers on its rolls. But it is also a fact that in the first quarter of the current year ...*(Interruptions)*

MR. DEPUTY SPEAKER: Come to the question please.

(Interruptions)

[Translation]

MR. DEPUTY SPEAKER: Mr. Acharia, please put your question.

(Interruptions)

SHRI BASUDEB ACHARIA: Why are you loosing your patience ...*(Interruptions)*

[English]

MR. DEPUTY SPEAKER: Please put your question.

(Interruptions)

[Translation]

MR. DEPUTY SPEAKER: You please put your question instead of giving facts.

[English]

SHRI BASUDEB ACHARIA: In the first quarter of this year, the growth of ECIL has been the highest among all the subsidiaries. My question is, in order to make this company which is producing the coal of best quality because the quality of underground coal is the best and in order to reduce the losses and make this company viable, whether the Ministry will ...*(Interruptions)*

MR. DEPUTY SPEAKER: Conclude the question, Achariaji.

SHRI BASUDEB ACHARIA: I am asking the question.

SHRI MADHUKAR SARPOTDAR: He is giving full information.

[Translation]

MR. DEPUTY SPEAKER: You please conclude your question.

SHRI BASUDEB ACHARIA: I am asking the question but I am being interrupted frequently then how can, I continue with my question?

MR. DEPUTY SPEAKER: The question Hours time is coming to an end soon.

SHRI BASUDEB ACHARIA: My question is as to what is being done to make this company viable? What steps are being taken to reduce the losses there by making it a profit making company? In our State, the two districts Purulia and Bankura ...*(Interruptions)*

MR. DEPUTY SPEAKER: She has listened to your question. Now let her reply.

[English]

SHRI BASUDEB ACHARIA: I would like to know whether new projects will be sanctioned, particularly on the right bank of river Damodar, in the two Districts of West Bengal, Purulia and Bankura, which have abundant reserves of coal.

MR. DEPUTY SPEAKER: Please give some time for answer.

[Translation]

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, since the hon. Member is very much familiar with ECIL area, hence he knows every aspect of it. As far as his question is concerned, I had already mentioned that we have chalked out an action plan for bringing improvement therein. The hon. Member has made a mention of Purulia and Bankura. We are likely to start new projects there also as had already been told about it. I will talk to the hon. Member regarding specific points. In addition to this, whatever information he wants, I will give it to him ...*(Interruptions)*

12.00 hrs.

[English]

MR. DEPUTY SPEAKER: Achariaji, please take your seat. I have already asked the other member to speak.

(Interruptions)

[Translation]

SHRI RAMENDRA KUMAR: Mr. Deputy Speaker, Sir, the Government have chalked out an action plan for the progress of ECIL. I would like to ask the Minister as to whether there has been a decline in manpower in ECIL every year and it is suffering heavy losses despite increase in the production and productivity? Whether the Minister will tell as to how much production is required so that the company is run on no profit no loss basis?

SHRIMATI KANTI SINGH: Mr. Deputy Speaker, Sir, whatever the infomation hon. Member has asked for, we will furnish it to him.

WRITTEN ANSWERS TO QUESTIONS

[Translation]

Bidi Industry

*45. SHRI JAGDAMBI PRASAD YADAV: Will the Minister of INDUSTRY be pleased to state:

(a) the number of persons engaged in bidi industry in the country, particularly in Bihar, the annual production of bidi and the quantity exported out of it;

(b) whether the Government have formulated any scheme to encourage bidi industry and to raise the wages of workers and also to improve their health care; and

(c) if so, the details thereof and if not, whether the Government propose to formulate such schemes?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) The estimated total number of workers engaged in the manufacture of bidi in the country is 43,63,520. Based on figures of cess collection for 1996-97, the production of bidi in the country is estimated to be 41780 crore number. In Bihar the estimated number of bidi workers is 3,91,500 and the production during the above period is 1956 crore number of bidies. The export of bidi from the country in terms of value during 1995-96 has been Rs. 16.11 crores.

(b) and (c) Facilities and incentives extended to the small industry are available for the growth and development of bidi industry. The working conditions/Welfare/health care of Bidi workers are governed under the following Central Acts.

(i) Government have enacted Bidi and Cigar Workers (Conditions of Employment) Act, 1966 for the welfare of the bidi workers and to regulate the conditions of their work.

(ii) The provisions of Payment of Wages Act, other relevant Industrial Workers Acts and Labour Laws have been made applicable to bidi workers. The State Governments revise minimum wages for bidi workers from time to time under the provisions of the Act.

(iii) Through enactment of the Bidi Workers Welfare Cess Act, 1976 and the Bidi Workers Welfare Fund Act, 1976, a 'Welfare Fund' has been created for bidi workers under Ministry of Labour, Government of India. The Ministry of Labour is implementing